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## France

## Tree Nuts

## Semi-Annual Report

## 2004

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**Report Highlights:**

French walnut production in 2003 is estimated to have decreased sharply to 24,000 MT, mainly due to the drought throughout the summer of 2003. This combination of lower crop, lower quality and the increased price competitiveness of California walnuts on EU markets could lead to lower French exports in MY 2003/2004 on markets where French and U.S. products compete, especially in Europe. French walnuts imports (mainly of shelled walnuts) are, on the other hand, expected to grow.

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## Executive Summary

French walnut production in 2003 is estimated to have decreased sharply to 24,000 MT, mainly due to the extremely hot weather and drought throughout the summer of 2003. These unfavorable weather conditions also meant that the French harvest included more small-grade walnuts than in the previous years.

This combination of lower crop, lower quality and the increased price competitiveness of California walnuts on EU markets could lead to lower French exports in MY 2003/2004 on markets where French and U.S. products compete, especially in Europe. French walnuts imports (mainly of shelled walnuts) are, on the other hand, expected to grow.

## Situation and Outlook

### Production:

France is the leading European producer of walnuts, with roughly 25 percent of total production in 2003. French walnut production is estimated at 24,000 MT for 2003, down from 33,300 MT in 2002. This sharp decrease is due to the extremely hot weather and the subsequent drought, which lasted in France from June 2003 to September 2003. Such unusual weather for a temperate country severely impacted the fruit's growth and led to early fall of leaves and fruits. On average, walnuts harvested in 2003 were of much smaller grade than those harvested in 2002.

There are now 2 appellations of origins (AOC) labels for high quality walnuts in France: 1) "noix de Grenoble" dating back to 1938 and 2) "noix du Périgord" which was introduced in 2002. Nuts marketed under these appellations are grown in delimited zones: "Noix de Grenoble" is grown in the southeastern producing regions of France; and "Noix du Périgord" is grown in southwestern France. (See annual report FR2058, dated 8/7/02)

## Consumption

Total walnut consumption in the PS&D includes human consumption and estimated stocks, as separate stock estimates are not available. Walnut consumption in France falls into three categories: snacking and home cooking, by-products (oils), and shelled walnuts used as ingredients in the pastry, bakery and cheese industries.

French households are estimated to purchase approximately 7,000-9,000 MT of in-shell walnuts, (including 2,000 MT of fresh walnuts and 7,000 MT of dried walnuts), and 6,000 MT shelled walnuts per year.

The French per capita consumption of walnuts is 150 grams for in-shell walnuts and 200 grams for shelled walnuts. In-shell walnuts are mainly consumed during the fall (mainly in November and December) and in winter. However, there is no seasonality for shelled walnut consumption.

## Trade

France is a net exporter of walnuts, and exports principally to EU member states and Switzerland. French and U.S. walnuts compete in these markets. As indicated in the tables below, France mainly exports in-shell walnuts and principally imports shelled walnuts. In MY 2003/04, French exports of walnuts are expected to decrease because of lower availability and lower quality (mainly smaller grade nuts) than in the previous year. In MY 2003/2004, French walnuts will also face increased competition from California walnuts, which benefit

from the lower Dollar to Euro exchange rate, making them cheaper on EU markets. French walnut exporters are already reporting higher stocks of small-grade kernels and difficulties selling them on traditional EU markets (such as Germany)

The lower availability of domestically produced large-sized kernels will also lead to higher imports of shelled walnuts from Moldavia, China and India in MY 2003/2004.

## Marketing

While the in-shell large grade, high quality and high-priced walnut market segment is dominated by domestically-grown walnuts sold under the origin logos "noix du Périgord" and "noix de Grenoble", the shelled walnut and the walnut pieces market segments offer the best opportunities for U.S. walnuts.

The market for snacking products has increased significantly over the past few years. Developing consumer-oriented packages (small size, easy to open and close) of shelled walnuts as snacks would certainly help increase sales of U.S. shelled walnuts on the French market.

Another marketing opportunity for U.S. walnuts is shelled walnuts or walnut pieces used in bulk by the French food processing industry. For example, there are more and more U.S.-type cookies and pastry (brownies, muffins) sold on the French market and U.S. walnuts may be used as ingredients in these, either in ready-made products or in cooking mixes to prepare at home.

The French leading importers of U.S. walnuts are:

Nideco Halles SA  
12, rue du Poitou, Bat D.7  
94619 Rungis cedex  
tel: (33-1) 41 73 23 70  
fax: (33-1) 45 60 09 07  
[nico@nideco.com](mailto:nico@nideco.com)

SAISOF  
28/31, rue des investisseurs, ZA Ouest Plaine Haute  
91580 Crosne  
tel: (33-1) 69 83 88 30  
fax: (33-1) 69 83 88 18  
[saisof@aol.com](mailto:saisof@aol.com)

## Statistical Tables

PSD Table							
Country	France						
Commodity	Walnuts, Inshell Basis				(HA)(1000 TREES)(MT)		
	2002	Revised	2003	Estimate	2004	Forecast	UOM

	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY Y
Area Planted	19880	19880	19880	20200	19880	20400	(HA)
Area Harvested	14960	14960	14960	15600	14960	15900	(HA)
Bearing Trees	1500	1500	1500	1600	1500	1600	(1000 TREES)
Non-Bearing Trees	500	500	500	450	500	450	(1000 TREES)
Total Trees	2000	2000	2000	2050	2000	2050	(1000 TREES)
Beginning Stocks	0	0	0	0	0	0	(MT)
Production	33300	33300	32000	24000	32000	32000	(MT)
Imports	13000	14000	13000	17000	13000	13000	(MT)
TOTAL SUPPLY	46300	47300	45000	41000	45000	45000	(MT)
Exports	22300	22300	23000	16000	23000	23000	(MT)
Domestic Consumption	24000	25000	22000	25000	22000	22000	(MT)
Ending Stocks	0	0	0	0	0	0	(MT)
TOTAL DISTRIBUTI ON	46300	47300	45000	41000	45000	45000	(MT)

## Export Trade Matrix

Country France

Commodity Walnuts, Inshell Basis

Time Period	Oct-Sept	Units:	MT
Exports for:	2002		2003
U.S.		U.S.	
Others		Others	
Germany	6006	Germany	6880
Spain	5864	Spain	6080
Italy	3066	Moldova	1979
Switzerland	1617	Italy	1769
Portugal	1473	Switzerland	1437
Moldova	1356	Portugal	1251
Belgium	911	Belgium	780
Denmark	538	Denmark	628
Netherlands	408	Netherlands	288

Poland	346	Poland	264
Total for Others	21585		21356
Others not Listed	669		796
Grand Total	22254		22152

## Import Trade Matrix

Country France

Commodity Walnuts, Inshell Basis

Time Period	Oct-Sept	Units:	MT
Imports for:	2002		2003
U.S.	194	U.S.	185
Others		Others	
Moldova	7332	Moldova	8238
India	1740	Ukraine	976
Hungary	804	India	888
Ukraine	424	China	638
Romania	302	Spain	637
Poland	296	Italy	461
Greece	288	Hungary	452
China	226	Slovakia	224
Slovakia	142	Greece	155
Italy	141	Romania	150
Total for Others	11695		12819
Others not Listed	998		1157
Grand Total	12693		13976